



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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For External Release

DFAS working to fix effects of FICA error

More than 15,000 Army, Air Force and Navy service members have had incorrect Social Security contributions deducted from their salaries since January 2001.

Of this number almost 9,000 Navy members; over 5,600 Army members and about 1,000 Air Force Members were affected.

The incorrect amounts were deducted because of a software error. The error has been corrected. However, a large majority of service members did not have enough money withheld and now owe money to the government.

About 8,100 service members owe less than \$120, which will be deducted from their end of month pay in May. The remaining service members who owe more will have the shortfall deducted in prorated increments from their mid-June, July and August paychecks.

Overpayments into the FICA system were minor, affecting about 150 service members. These service members will receive their refunds at their end of month pay in May.

The Defense Finance and Accounting Service (DFAS) is working with each service's Military Pay Office to alert those affected service members. DFAS realizes this may create a financial hardship for some members, and will work this issue on a case-by-case basis to minimize impact.

The Social Security item appears on a service member's Leave and Earnings Statement as FICA (Federal Insurance Contribution Act) Taxes.

For more information, Navy members can contact their local disbursing office and Army and Air Force members their local finance office.